Growth strategies for e-commerce startups companies:

Adegga case.

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Title
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Abstract
The purpose of the paper is to determine efficient growth strategies for ecommerce startups companies. Based on an internship in Adegga, this thesis aims to use real life business situation for the research and helps the company to define marketing trends relevant for its specialty and growth. Therefore, business model and market analyses were performed, certain growth strategies were suggested and applied. The results of this work show the success of the company’s use of event marketing, storytelling and social media. The key conclusion is that combined application of online sales platform and offline presentations bring considerable financial and reputational outcomes.

Keywords:
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Introduction

If you have heard it once, you have heard it a million times. New technologies and social media are connecting everyone and everything. People are using their computers, tablets and smartphones to work, communicate, read news, view posts and make photos. Since social media is democratized, every company on the planet is on an equal playing field when it comes to creating and spreading digital marketing. So, all that is left for anyone who wants to be an entrepreneur is to form a startup company, design a webpage, create a Twitter account, set up a Facebook page, make posts on Instagram and wait for profit. Right? While these powerful tools give the ability to reach more potential clients than was thought ever possible, that very fact is causing a rewriting of the rules of business.

So, how can ecommerce startup efficiently grow and increase sales? How can it be achieved by using the digital marketing? Are there any new trends to be added to marketing mix?

The interest in wine industry and the opportunity to join Adega startup gave me possibility to research for that ways, use them in practice and gain results for company future benefit. For the work project there was made theoretical review, performed company and industry analyses, suggested and implemented certain growth strategies. The experience was very valuable and the main conclusions are in order to maximize revenues it is important not to spend much on marketing, use wisely available resources and influence decisions by positive world of mouth and emotional attachments. These can be achieved by event organization, where relationships that put ahead of transactions lead to confident financial and reputational results.
1. Theoretical Context
In this first chapter there are covered key-concepts for the research objectives of the thesis and a literature review on the relevant issues is included for this thematic. Namely, I will contextualize e-business trend, discuss marketing directions and examine in more detail social media, brand personality and event-marketing.

1.1. E-business trend
The growth of e-business is having a strong impact especially on small and medium enterprises (SMEs) (Wilkinson, 2002). Competing in the online market space is very different from competing in the conventional marketplace for several reasons: price comparisons are easy to make, relationships between buyer and seller are mediated by computers, and transactions are based on information about the product. Kleindl (2000) identifies four sources of competitive advantage for SMEs: 1) access to the international market; 2) entrance into new markets, especially niche markets, at no additional costs; 3) business efficiency; 4) lower costs in the exchange of information. Sparkes and Thomas (2001) referred to interactivity and the development of customer relationships as one of the most critical factors for e-businesses to gain competitive advantage.

1.2. Marketing in the new age
Having a strong online presence is a crucial component of any growth strategy nowadays. First of all, this is because online marketing is comparably affordable as it is up to the company to decide how much it wants to spend for a specific ad and how many people to reach. Secondly, online marketing includes the ability to reach potential customers all over the world and to customize the marketing for different types of groups. Moreover, it is easy to use and less time consuming than traditional marketing strategies.
1.2.1. Digital marketing and social media

One aspect that is crucial for online marketing is social media. Although the term “social media” is often used, a clear definition is still widely debated. Kaplan and Haenlein (2010) defined social media as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content.” (p.61). Berthon, Pitt, Plangger and Shapiro (2012) adopted the same definition in their research. Online resources like Facebook, Twitter, Instagram, and Google+ are classified as social networking sites since they allow users to connect by creating profiles and/or sending messages (Kaplan & Haenlein, 2010).

Social media has transformed the landscape for brand management. If companies want to benefit they have to use social media and examine brand stories created by consumers as well as respond to negative stories that harm the brand (Gensler et al., 2013). Moreover, social media has created the “Thank You Economy” where customers are willing to pay more for a superior customer service (Vaynerchuk, 2009). World-of-mouth is another successful form of interaction there. For these reasons, social media is the perfect tool for enhancing both of aspects of any business.

One way to foster a relationship with customers in the new environment is to create brand communities through brand fan pages on social media (McAlexander, Schouten, & Koenig, 2002; de Vries, Gensler, & Heeflang, 2012). First of all, such communities allow companies to understand their customers through the information exchanged (Sonnier, McAlister, & Rutz, 2011; Williams & Cothrel, 2000). Secondly, companies can benefit tremendously by creating their own pages, which are shown to be cost-effective (Chan, 2012; Kirtis & Karahan, 2011). Moreover, successful management of online brand communities influence sales (Adjei, Noble, & Noble, 2010; Arai, Kajiyama, & Ouchi, 2014; Stephen & Galak, 2012) and consumer decisions (Casalo, Flavian,
Further research showed that when customers interact online there is a higher profit impact than when companies interact offline (Wiesel, Pauwels, & Arts, 2011). Furthermore, following brand pages has been associated with customer loyalty and commitment (Bagozzi & Dholakia, 2006; Thompson & Sinha, 2008), more openness to information messages, more searches for information about the company (Bagozzi & Dholakia, 2006), more positive word-of-mouth, more emotional attachment to the brand (Dholakia & Durham, 2010) and more social benefits for followers (Dholakia, Bagozzi, & Pearo, 2004). On these pages, companies can publish anything they want, also known as posts, and customers can interact by liking or commenting on them (McAlexander et al., 2002; de Vries et al., 2012). These actions of the customer’s reflect post popularity or customer engagement and are similar to word-of-mouth communication. Engagement was conceptualized by Van Doorn, et al. (2010) as “behaviors that go beyond transactions, and may be specifically defined as a customer’s behavioral manifestations that have a brand or company focus, beyond purchase resulting from motivational drivers” (p.254). The creation of brand engagement is an important benefit of social media (Gummerus et al., 2012). Engagement on social media has been found to be a promising measurable variable for enhancing the prediction of customer loyalty (Hollebeek, 2011). Also, the level of interactivity on the Internet is directly and positively associated with customers’ perception of trust (Merrilees & Fry, 2003; Wu & Chang, 2005).

According to Harris (2009), social media will be essential in the future of marketing and increasing customer engagement should be of interest to every company. In this way, increased engagement on social media has financial and reputational consequences (Van Doorn, et al., 2010).

One of the examples of successful social marketing tool use is Starbucks, which is famous for establishing human connections with its customers. The company’s Facebook page has more than
54 million fans. All employees of Starbucks are passionate about its products and like to connect online with their clients. Through social media interaction and personal attitudes they establish trust and build deep sustainable customer relationships, and are seen as being a humane and responsible company which is good for their business.

1.2.2. Brand personality
Brand personality is defined as the set of human characteristics that consumers associate with a brand (Aaker, 1997). The conceptualization helps position brands through emotional attributes and develops relationships (Ahmad and Thyagaraj, 2014). Brand personality perceptions can result from interactions with human personifications (e.g. company employees and other customers) and from non-human dimensions (e.g. advertisements, prices, brand name, etc). As brand personality appears to be less imitable than other tangible product attributes, the dimension of brand personality can lead to a more sustainable competitive advantage (Ang and Lim, 2006). Brand personalities are stronger for mature brands than for brands early in their life cycle (Eisend and Stokburger-Sauer, 2013).

1.2.3. Content and Storytelling
Vaynerchuk focuses on how to market and sell to customers and explains that effective marketing depends on telling a story in such a way that it compels people to buy. In his opinion, a story is at its best when it is not intrusive, when it constantly brings value to consumers, and when it fits in as a natural step along the customer’s path to making a purchase or they feel like they were given so much that it would be almost rude to refuse (Vaynerchuk, 2013). Nowadays, effective marketing through social media must employ micro content and community management which requires using a platform’s native language, paying attention to context, understanding the nuances and subtle differences that make each platform unique, and adapting each piece of content to perfectly match with the message. This will help people to hear the story on noisy social media and make
them act on it. For example, on Facebook, the best content is not only that which generates the most sales, but also that which is the most shared.

1.2.4. Event-marketing
Event-marketing is a form of traditional marketing that finds it popularity among companies which mostly perform online as an effective way to attract the attention of possible consumers. Customers are invited to form relationships and to have a real-life experience with the product or service. Also, the use of event marketing is possible, in situations where advertising is prohibited or is not effective (Pitta, Weisgal, Lynagh, 2006). The emotional contact with the audience, which is made during the event, allows the company to comprehensively influence the target audience in a direct and more efficient way and to be noticed on the market (Close and Finney, 2006). Event-marketing provides an opportunity to remind people about the company, to keep in touch with former customers and to acquire new ones. First of all, this is because people remember better what they have experienced on a sensual level. Secondly, they tend to embody the brand and afterwards feel gratitude and friendliness to the giver of the experience. Furthermore, event-marketing allow people to choose whether to come to the event or not; there they can also make their own opinion about the offer and decisions about the purchase. However, one of the main tasks for the organizers is not to promote the product too obviously but rather to create an environment in which their target consumers feel comfortable, and interests and their associated values are shared among all visitors. Moreover, well-conducted event marketing can increase brand awareness, boost sales, and win brand loyalty from the audience (Close and Finney, 2006).

One of the first companies to use event marketing was McDonald's, which linked the image of its fast food chains with the clown Ronald McDonald and regularly hosted special events. Such event marketing tactics helped the company not only to attract a family audience, but also to create a positive, lively, memorable image that would distract the attention of the target audience from the
quality of the food in McDonald's. Another example of successful event marketing is Coca-Cola Company. Since its establishment, the company has organized a variety of events, product launches, concerts and festivals. As a result, today the brand is the most recognizable in the world, and is associated with Christmas holidays and a good mood.

To conclude, this concepts are relevant in the majority of sectors, industries and types of companies. Of course, they are already present in technological startups that sell digital products, however, should also be taken in account for e-commerce startups that sell traditional products, like the situation which happens in the wine industry.

2. Wine online
Today consumers are more selective and seek a greater variety of choices and relative information than ever before (Vrontis and Thrassou, 2011). Previous studies have concluded that information is particularly relevant to the wine decision-making process (Johnson and Bruwer, 2007; Atkin and Johnson, 2010). Wine consumers often choose wine within a set of safe brands that are associated with consistent quality in consumers’ memories. Accordingly, they seek out regions and brands with a track record of creating pleasant experiences of wine consumption for consumers (Bruwer and Wood, 2005; Schamel, 2006). This situation is the important in the international wine market, especially in the ultra-premium ($25-50 a bottle) and icon segments (above $50) (Stricker, 2003). The consumers’ perception concerning these wines is highly complex and during the decision-making process they take into account information concerning the wine’s characteristics and the recommendations from people they know, for which the Internet is the best communication channel. In the wine sector information can include: winemaker’s notes, current and past professional ratings, customer reviews, popular lists about wineries, regions and varietals, maps and informative tags. Technology provides tools such as: advanced search, food and wine pairing, creation of virtual cellars and social networks for winelovers. The main factors motivating
customers to buy wine online are the simplicity of the service, saving time, speed, convenience, and the fact that wine can be cheaper if bought online.

Therefore, for the online wine businesses an opportunity exists for marketers who understand how to use digital technology to reach the potential consumer more directly. Moreover, it is important to encourage repeat purchases, foster loyal customers and create personalized experience.

3. Adegga: wine ecommerce startup

Adegga is a platform for e-commerce and logistics that helps producers sell wine in the Adegga WineMarket cities (Forbes, 2015). Andre Ribeirinho, chief wine evangelist, founder and CEO of Adegga, and his team of winelovers, want to create a revolution in the world of wines. Adegga’s vision is to become a discovery to the world of wines with real peoples’ stories behind every bottle. Adegga uses the slogan “wine & people” to demonstrate the value that they are trying to bring. The goal of the company is to give consumers direct access to wines from the best producers, who are selected by Adegga, to make choice easier for them and provide convenient service. “We are not trying just to sell wine. We are trying to change the way an industry works,” Andre Ribeirinho explains.

3.1. History and evolution of Adegga

3.1.1. Online community platform

Adegga was launched in 2005 as an online community for wine drinkers all over the world. During the first years it was an online service with a list of ratings, tasting notes, technical information and blog posts. Adegga helped people to track the wines they drank and to get recommendations from other people. Andre Ribeirinho: “It was an avenue for consumers to connect, review and share wines - but also for them to connect with producers. We saw a big gap in the market where an online channel offered a huge opportunity." (Harpers, 2015).
The Adegga team has also developed an ISBN\(^1\) for wines called AVIN. The AVIN easily organizes online wine information by uniquely identifying every wine. Moreover, they have developed a search engine for wine blogs which makes it possible to track what is being said about each wine or wine producer globally. Combined with the AVIN, bloggers can tag posts and match them with the correct wines on Adegga. Also, Adegga’s community page includes a price comparison engine that gives each bottle’s prices directly from wine shops, linking directly from the wine page to the buying page on each shop.

Starting with an innovative and early-generation social media platform, Andre Ribeirinho continued to experiment from both the consumer’s and the producer’s perspectives. He believes there are great opportunities and solutions for direct-to-consumer marketing. "The first few years for Adegga team were a big learning curve. We learned the hard way, that online only does not work. It needs to be offline as well," – admits the CEO of Adegga (Harpers, 2015).

**3.1.2. WineMarket concept**

In 2009, Adegga hosted the first WineMarket event where Portuguese wine producers were in direct touch with the online community. Within the last few years, Andre Ribeirinho has turned this successful winetasting event in Lisbon into several events, holding them every year in different European cities. In 2015, there were six Adegga WineMarket events, which took place in Portugal (Porto, Algarve and two times in Lisbon), Sweden (Stockholm) and Germany (Berlin). The events attract many visitors; they are informal, informative, amusing and linked to food. The Adegga events are considered to be family events where guests are encouraged to bring their children, which creates a friendly atmosphere to a normal winetasting.

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The Adegga WineMarket started by working with nearby producers in Portugal and has introduced foreign wine producers just recently. The important feature is that Adegga selects the producers that are going to be presented on the WineMarket. “Producers are chosen by Adegga due to the quality of their wines, history and the differentiation of its market position,” - says Andre Ribeirinho. All in all, WineMarket presents about 40 producers and around 300 wines. There is also the Premium Room where it is possible to taste rare, exclusive and old wines. All the wines from the WineMarket can be bought for special producers’ prices during the event in the specially organized Shop; the orders will be delivered several days after the event.

Moreover, to make the WineMarkets more consumer-friendly, the Adegga team have designed the SmartWineGlass. The glass represents brand innovation and has an electronic chip to track wines tasted. The SmartWineGlass technology allows visitors to receive, by email, a list of the wines tasted during the event, along with information about wine producers.

3.1.3. Adegga Selected

In April 2015, Adegga launched Adegga Selected – an innovative online wine purchasing platform which supposes to allow wine purchases directly from consumer’s favorite producers. Adegga Selected was created on the basis of the Adegga WineMarket events’ success. “The Adegga platform helps producers to tell their stories,” - says Andre Ribeirinho. The platform is available 365 days a year and at the moment allows the customer to buy wines from six selected producers. The producers pay a monthly fee to participate. They benefit from interested customers brought by Adegga through WineMarkets; marketing and logisticals costs are included in the fee and shared, while Adegga creates national and international projects. From July 2015 the platform is also available internationally for the German and Swedish markets.
ClubA was introduced by Adegga as a private club for its customers with access to exclusive events and prices, as well as first-chance access to special offers for the club members who pay a monthly subscription. The common budget is used to host the tasting and events.

3.2. The Adegga Business Model and its evolution
In other words, Adegga is an e-commerce startup that relays on its online platform and WineMarket events to sell specific niche wines to winelovers; and having as revenue streams the wine sales, the WineMarket tickets and producers` sponsorships. (Appendix 4)

After several years and significant changes, Adegga has become recognizable e-commerce startup with positive brand image due to personal touch and regular contacts thank to the WineMarket organization feature, with the wine selection process in physical contact with its clients, creating a more personalized winetasting experience. The evolution happened to the business model towards diverse revenue streams. Also, the evolution concerns marketing as producers are actually paying to do marketing for them by Adegga due to its grown reputation. Further, Adegga has tapped into the long tail of the industry with the help of wineries that provide it with special products outside their primary offering, such as unusual bottle sizes, a limited release of a historical vintage, or even a forgotten stash of cases. A new innovation was launched at the Adegga WineMarket Lisbon 2015, where for first time it was possible to buy wines from all producers present one month before the event, during it, and for three days after. The orders were collected and the delivery was organized on the following days. There were also specially designed packs making it possible to easily get ready for Christmas.

3.3. Adegga brand personality
The Adegga brand personality emphasizes providing an excellent range of selected wines to people with different lifestyles, occupations and wine knowledge, by opening a new world of wines,
storytelling for them and surprising with diversity and giving customized advise like a friend. To describe brand personality in detail was used Kapferer’s Brand Identity Prism (Appendix 1).

However, the figure most associated with Adegga is Andre Ribeirinho; as the founder and CEO of the startup company, he is responsible for communication and PR. In general, Adegga is more about personalities, share of knowledge, meeting with friends and spending good time together.

**3.4. Main competitors**

When it comes to competition on the wine market, Adegga has four different types that come from different areas of the wine industry, although not all of them are exactly equivalent to Adegga’s concept. First of all, there are online wine resources and applications like Vivino, ViniDikas, VinoGusto, and Wine Folly, which educate about wine and promote wine lifestyles. There are online services like Vinfolio and Wine.com that help wine enthusiasts learn, buy, manage and enjoy more wines. The second type of competitors are the websites of wine dealers, which present and sell the wines from their portfolio. Thirdly, there are online services, like Shopify, Vin 65, Winedirect, CRU and others, that provide software and help with winery e-commerce and marketing. The final type is the presence of wine shops in cities that do physical sales with occasional personal assistance from consultants. For example, in Lisbon there are Garrafeira National, Napoleao, Portugal Wine Room, and the alcohol department in El Corte Ingles and other supermarkets. In Delidelux, Garrafeira 9297 and GN there are regular wine-tasting events featuring invited wine producers.

In Portugal, the start-up company WIME (formerly O Meu Copo) sells wine online on a subscription basis, records videos about wine with well-known Portuguese sommelier Rodolfo Tristao and has recently opened a physical store in a shopping center. Moreover, on a regular basis there are wine events like Encontro com o Vinho e Sabores, Prova Mediterranea, Vinho ao Vivo,
LX Wine Fest, and Gourmet markets in Campo Pequeno that have gained popularity among visitors, offering the possibility to try more wines and buy there. More detailed competition analysis presented in Appendix C.

3.5. Competitive advantage - unique selling proposition
With 10 years of experience, Adegga is flexible and responsive to the needs of wine consumers. Adegga’s goal is to become the Booking.com of wines. This may be possible because consumers feel that they still do not have enough choice and want to know more about wines, which could explain why Adegga WineMarkets are so successful. For the consumers the unique selling proposition is that they can try and buy wine from their favorite producers. Visits to WineMarket make consumers more familiar with the wines they try before buying them. The Adegga team’s personalized suggestions and specially designed packs make choice easier. For producers Adegga has become an important sales and marketing tool. First of all, they can reach more people (visitors to Adegga WineMarkets), and they have a chance to engage personally with them.

Furthermore, Adegga’s network is easily expandable since the Adegga community is growing with WineMarket efforts to attract more customers. Recently, by introducing a new option of buying wines before and after the event, Adegga has added further value to its customers. For visitors it has become more convenient with more choice; and for producers there is a possibility to sell more wines in a wider period of time.

4. Growth strategies for Adegga
By organizing WineMarkets, Adegga successfully combines traditional and digital marketing. Adegga has already built a strong reputation among producers during the past few years. Adegga is also famous for its storytelling where no wine jargon is used but rather interesting lead to the creation of the wine or about people who were working on it. Recently, by introducing the new
option of buying wines before and after the events, Adegga has introduced changes to its business model, as now it is possible to make a bigger profit from more wines presented for the WineMarket on the online platform for a period of time.

Adegga’s main idea is to grow fast and efficiently in order to introduce wines to a wider interested community and increase sales outside Portugal. The opening of new WineMarket locations and adding of a new warehouse in Germany, is a great opportunity for Adegga. Therefore, a core growth strategy would be to increase the number of people who visit the WineMarket and webpage. At this stage, it is important to grow among interested public, engage with them and turn them into the WineMarket visitors and loyal customers who make regular purchases.

However, to let people know about upcoming events via traditional marketing channels has become more difficult than it was before. Moreover, the behavior patterns differ from country to country. Fortunately, Adegga uses digital marketing and social media tools to help sell out more wines. Therefore, this research is based on search for means for increasing the marketing awareness and attendance at the events.

As a benchmark Adegga uses its first and most successful location for WineMarket in Lisbon. For the Adegga WineMarket Lisbon 2015, the team was planning to introduce some changes and make it bigger than ever. For this aim, the location was switched to Altis Grand Hotel. The event space made it possible to invite more producers to participate and it was expected to host more visitors.

4.1. Analysis

4.1.1. Customer Analysis

Customer analysis was conducted with Google Analytics and Facebook Statistics (Appendices F, G). This way it is possible to determine who the target demographic is and to research in order to reach more directly.
Age: The main group are people from 35-44 years old (36% of total), 2nd place 25-34 years old (32%).

Gender: Google Analytics shows there are more men participating in online sessions (62.3% men, 37.7% women). Men make three times as many purchases on the Adegga platform and they are more active on the Facebook Adegga page, both fan and engagement metrics.

Location: The majority of Adegga customers come from Portugal (84%), regions like Lisbon, Porto, Setubal, Sintra and Braga. Other locations are Germany (0.82%), France (0.88%), UK (1.06%), USA (5%) and Brazil (1.06%). For communication are mostly used the Portuguese and English languages.

Interests: Movie lovers, TV&Video, Music fans, Cooking enthusiasts, News/Soccer news followers, Travel buffs with search for hotels or accommodation.

Behavior: Winelovers are active online shoppers and are receptive to “touchpoints” that give them recommendations or information from friends, social media and commercial media. They shop directly from computers, mobile devices and tablets. The average time on the website is two minutes and they visit about five pages per session.

As the findings suggest, the domestic segment is composed mainly of male, middle-aged, well-educated, high-income consumers who buy wine online from home. They tend to make larger, less frequent orders rather than smaller, more frequent ones. They purchase wine primarily for personal consumption, and they are motivated by convenience, a wide selection of wines, availability, and price. As decision factors, they value the region of origin, brand, low prices, the recommendation and their own experience. The most important sources of information are the wine retailer and the internet (wineries, bloggers and online shops). As the research suggests, this market remains
domestic, even within the EU, due to legal issues and other constraints, such as age verification, tax differences, and transportation costs.

4.1.2. Map of conversion funnel
The conversion funnel for Adegga’s ecommerce website consists of the following steps: 1) The website visitors come from sources like social media (40.50%), referrals (10.48%) or emails (4.26%); there are also visitors with organic search (15.88%) and direct (16.25%). 2) They visit the website, its landing page and 3) navigate through 4.7 pages on average. 4) In the online shop they add to cart the chosen products (among the first three are tickets for Adegga WineMarket: Normal (13.29%), Loja (8.8%), Premium Room (3.2%); and 5) proceed to buy with checkout stage afterwards. For the research period there are 439 transactions. The conversion rate is 3.6%. The average session duration is two minutes (Appendix I).

4.1.3. Optimization objectives
In the growth cycle of success there are four stages, which are connected. 1) Plan of the source and the content; 2) Acquisition of the potential attendees; 3) Retention of attendees; 4) Action that requires their registration are needed. (Appendix D)

Therefore, there are two main aspects to pay attention to by Adegga: content and channels. For channel the optimization requires a choice in which channel to invest. For content, there should be an understanding of which content to use for the company’s effective promotion. Both objectives are set to increase more marketing awareness.

4.1.4. Set of actionable KPI’s
Content marketing for Adegga is about driving traffic, how to attract new visitors to its page, how to start conversations and how to raise attention to the company. It also concerns how customers learn more about what is offered and are led to sales. Growth determinants there are the visited
pages, the content reach and engagement factors such as likes, shares and comments. For channel the metrics are conversion rate per channel with cost per acquisition per channel.

4.2. Growth strategies for the Adegga WineMarket Lisbon 2015
During the direct research internship the development and implementation of the growth strategies were in my responsibilities. In the following, there is discussed what had been done.

1. First of all, the Adegga website (pt.adegga.com) is where it is possible to sign up for the events. It was made sure that the website is attractive, informative, well-designed, the registration process is simple and there is some interesting content on every page. There was also the Adegga WineMarket Tour available with special dates and locations for the other events. However, the webpage was only available in the Portuguese language.

2. With the launch of the The Story page in October 2015 and blog posts by me in English, Adegga stimulated content and stories about the company and information relevant to the event theme for people from different countries. Moreover, it encouraged shares of blog articles to start a viral buzz. Blogs were also a way to add a unique lively feeling to the website, in order to reinforce people’s desire to attend.

3. Usually, Adegga is active on the Facebook profile. For the WineMarkets it creates a Facebook event-page. Moreover, last time for content marketing we used paid ads in order to boost posts and gain more attention. Other choices of social platforms like Instagram and Twitter were used to share content with people to raise chances that they will attend the event. Adegga started to post on social media frequently, with pictures of producers and short descriptions, articles from The Story page, and reminders about the online shop, so that attendees were constantly aware that the event was happening and what to expect. The images and posts were used to create a viral buzz. It was always kept in mind that the content design includes a mechanism to link back to the event website.
4. Emails are still the main means of mass communication for Adegga which are collected since the start of the online community and the first Adegga WineMarket in 2009. The database consists of more than 4,500 contacts and is well administered. To provide it with new contacts Adegga adds information which users fill in for WineMarket online tickets or SmartWineGlass results to be sent by email. Before the last event, emails were sent two times: on 12th November and 1st December. The inviting emails were visually rich with informative text and a buy function that is clearly visible. Emails to new, old and regular buyers’ contacts both acquire and retain attention. That incentive was used to encourage the receiver to either share the content or implement the registration/sales call to action. The reader was supposed to always look forward to unwrapping.

5. Search Engine Optimization (SEO) is another way for a potential attendee to notice Adegga’s event is it moving the website up in Google and other search engine search rankings. By using SEO Adegga made sure that the meta tags on its blogs and website included key words that potential attendees might search for. This helped to ensure that the event was reaching as many people as possible. The maximization of SEO was achieved by technical knowledge of the Adegga team.

6. As an event planner and marketer Andre Ribeirinho has a strong personal brand based on his reputation in the wine business and his professional values. The CEO’s personal brand has always been important to develop both face-to-face and online relationships. With the Internet as a vast information source his personal brand was researched and demanding interest. To get more people looking at Adegga’s event Andre had used personal emails, messages and calls to invite more famous people. It was made sure that people who were going to front the event, like chef Andre Magalhaes, wine producers and sommeliers for Premium Room, also have positive personal brands.

7. Before the event Adegga stimulated wine blogger’s and opinion makers from the wine industry in Portugal, friends and any other public people to mention the event on their guest blog or on theirs
personal pages by providing free entrance and discount for readers. The content suggestions and visuals that were provided also stimulated the bloggers’ readers to share. These shares might resulted in more views of Adegga`s website.

8. For the last event a PR agency was used to create news and find journalists and publications to write about the next Adegga WineMarket event to raise and mainstream interest for attendees. Online and daily news publications appear to be perfect PR channels as the reportage is always shareable. Moreover, Andre Ribeirinho was invited by Radio Commercial to talk about his business several days before the last WineMarket.

9. After the WineMarket, Adegga always posts photos of people who visited the WineMarket on its Facebook main page, adds videos of how it went, and holds conversations through the “Thank You” blog post which was written by me.

10. Special vouchers in the form of a business card with promo codes were sent in every box for the buyers, containing a discount in order to encourage clients to share them with their friends and arrange more sales on the Adegga Selected online platform.

4.3. Adegga WineMarket Lisbon 2015 facts and numbers
With all the effort that the Adegga team made there are some impressive statistics to be presented. Adegga WineMarket Lisbon 2015 has become the biggest event in the history of the company. In total, the WineMarket was visited by 1000 people. That number includes 850 visitors and 150 people from different areas of the wine industry. There were 400 (+150 from producer side) who already were familiar with Adegga due to previous contacts. 450 new visitors came to the WineMarket who will be added to the contact database. 339 tickets were bought online (271 normal, 53 for shop and 15 for Premium Room) (Appendix J). 50 wine producers were presenting wines at the event (compared to 40 normal places) and 160 online orders were made in total during the WineMarket (140 on the event date, 30 before and 20 after). It is important to mention that the
larger orders were made before the event. People who did not attend were still buying on the platform because they saw others tasting there. Also, the attendees came from various countries. It was possible to hear many conversations in English. Moreover, there were three foreign wine producers (from Hungary, Italy and France). The internationality of the event brought broader awareness and interest around the EU. Guest visitors were satisfied with the event and its quality and 100% responded positively to recommend it for others next time. 60% of the responders asked back for the date of the next WineMarket².

In the researched period of time, there were 12,298 sessions with about 57,472 page views (Appendix 2). The bounce rate is 6.9%. The conversion rate is 3.6%. On the graphics it is possible to see that the interest in Adegga started to grow one month before the event with fewer visits on weekends. The pick was on December 5, 2015 – the day of the WineMarket with 922 sessions and another one on December 7th – the first working day after the event. Returning visitors numbered 4,188 people (34%) with bounce rate of 5.6% and conversion rate 6.1%. They also completed 256 transactions (58.31%) and spent on average 3 minutes on the webpage. Concerning the new visitors, there were 8,030 users that is 66% of the total amount of sessions. The bounce rate is 7.7% and conversion rate is 2.3%. In total there were 183 transactions that is 41.7% of the total amount of transactions. They spent about 1.3 minutes (Appendix G).

The social media channel has 4,807 sessions via social referral that is 40% of the total sessions. It brought 3,521 new users. The bounce rate is 1.9% while the conversion rate is 2.5%. In total the channel made 121 transactions and generated 21% of the profit.

After the event, on Instagram Adegga has about 1,200 followers with on average 20 likes per photo, while on Twitter Adegga has 3,435 readers; however engagement there does not reach more than

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² Research made by the author during the WineMarket event of 20 random visitors.
four likes. It is important to mention Andre Ribeirinho’s social activity as he is strongly associated with Adegga and has a lot of complementary posts (Appendix 3).

Facebook is the №1 social platform for Adegga (97%). Adegga’s page on Facebook has 11,746 likes, with posts reaching 78,155 people and 2,819 people engaged. That platform alone brought 4,686 total sessions with 3,447 from new users. The interest growth starts the month before with the start of the promotions and goes down in the week after the event. The top of activity was mostly in the period from November 29 to December 9, 2015. On December 7, there was a pick with 2,115 reactions and 70 organic likes. From the Facebook referral the visits were mostly redirected to the ticket shop (46.4%), Adegga WineMarket Lisbon 2015 webpage (27.7%), online shop (11.7%), and landing page on pt.adegga.com (2.8%) (Appendix K). On the Adegga WineMarket Lisbon 2015 event page there were 2,980 interested and 1,564 people who pressed the “going” button.

On the Facebook some of the content was just published, some posts were boosted by Facebook paid service. The difference in reach and likes is huge. For example, simple posts did not even reach a 1,000 of people and have around 13 likes (mostly from the team friends); medium boosted post could get around 5,562 people seen it (1,767 organically, 3795 paid); highly promoted post had 11,027 people reach (3,387 organically, 7640 paid). The likes count did not reach more than 120, but the share number is doubled. (Appendix L)

On the social platform the video has already reached more than 18,200 people (both organically and paid) with actual views of 6,750 people. It got about 65 likes, 23 reposts and it was commented. (Appendix L).

To sum up, Facebook and emails are considered to be the most effective digital marketing channels for Adegga. Emails provided more sales from returning visitors. Apparently, it was a smart step to create a media content with Facebook for the WineMarket as the number of new users was quickly
going up. Photos, videos and blog posts were the most popular and shared content there. Consequently, Adearga uses the WineMarket event page on social media, blog posts on website and email addresses to pro-actively direct all WineMarket visitors to products on its core ecommerce website page.

5. Recommendations
With the success of the last WineMarket and its research result, there were identified many visits and new sessions to the Adearga webpage. However, the majority of people were not buying on their first visit. Therefore, the idea of trying more wines, having good time again and coming back to the webpage for purchase should be set. Even through described growth strategies are more effective prior and after the event, dare to mention that content and channel optimization can be implemented throughout the entire company’s life cycle. The time between the WineMarket events, Adearga can focus on improvements and new strategies recommended.

5.1. Creation of landing page
The new landing page is a necessity for Adearga. The page should be created on adegga.com domain and use English language. Adearga’s landing page should have simple message of explaining what the Adearga business is and have lead buttons to the locations webpages.

5.2. Get Mobile Application
In most situations, people’s Internet consumption now happens on mobile phone. Moreover, the phone is main storytelling platform in today’s world. For Adearga ecommerce business it is important to break into mobile applications market. With the application it would be easier for users to access the platform anytime and would help to convert leads into sales.

5.3. Keep using different social networks
Adearga’s social communication channels now are Facebook, Instagram and Twitter. Facebook has shown to be the most useful tool for Adearga in terms of interaction and promotion. However, others
complementing social tools like Instagram and Twitter are not used much but have great potential in order to continue be active and engage conversations that are lead to conversions (Appendix E). Social marketing also requires use of other social marketing platforms that are new for Adegga. The suggestion are Snapchat for simultaneous videos and promos, and Pinterest for engaging more women by using there more of visualization tools and recommendations articles.

5.4. Evangelism marketing
Evangelism marketing here is an advanced form of word-of-mouth marketing, where companies turn their customers and employees into enthusiasts who spread a word around. It is also the most trust worthy marketing channel because consumers trust recommendations from their friends and family members above all other forms of advertising. Adegga has to continue provide old and new visitors of WineMarkets with great experience and excellent service in order to turn more attendees into company’s evangelists, as they live-tweet, share their pictures on Facebook and talk about their live experiences with their friends. To go further, the evangelism marketing there can also have the idea of suggesting winelovers to become wine ambassadors and hold private winetasting with Adegga Selected wines and upon special conditions. That would help to form relationships on the next level, to create connections with other influencers within the wine industry and eventually promote Adegga.

5.5. Growth with video content
There are many facts that 2016 is predicted to be the year for videos (Appendix M). Adegga video about the WineMarket event has gained the highest engagement and view rates. Apparently, the way to grow Adegga’s content marketing strategy is by including more video content on the landing page, in emails and online campaigns. That increases click-through rate, time spent reading an email, webpage or post, or even sharing and forwarding for generation of more awareness. Adegga has person who creates videos, but also on the events. However, with the number of video
tools available, it can become a low-risk and low-cost way to grow the business. For example, newsjacking is the art of injecting ideas into a breaking news story to amplify sales and marketing success. For a quick and easy video there are platforms like Facebook, Twitter video, Instagram video and Snapchat.

**Conclusion**

To conclude, Adegga case study was used to determine growth strategies for ecommerce startup companies. The purpose of the research was to examine the evolution of company’s business model, study new marketing trends and optimize strategies that lead to increase in sales.

To summarize, Adegga first started as an online wine community almost 10 year ago but only recently it has become an ecommerce business that sells wines from selected producers on its online platform. Successful event organization, known as Adegga WineMarket, has a huge impact on a company brand and its differentiation in the market. For Adegga, WineMarket has become the way to grow winelovers community and brand awareness by focusing on creating memorable real life winetasting experiences with customized approach and stories behind each bottle. It is possible to see that with each event Adegga organized, it generates a larger, more dedicated database for its ecommerce business. With a recent change in the business model and opening of new locations, it was very important for Adegga to correctly promote next WineMarket events in order to expand its reach, engage with new customers and turn them to loyal brand community and regular buyers.

The research used content and channel optimization to increase marketing awareness. With the improvements for the WineMarket Lisbon 2015, Adegga used more communication channels and created stimulating content that appealed and aligned with the company growth strategy. The findings show that the event marketing, social media and storytelling have great results on visitors’ attraction. However, it is also possible to determine that interested people who visited the webpage
were not lead to many online wine sales, preferring first to come to the event, taste wines there before buying them and get personalized help to proceed an order. Therefore, the most popular items on the online platform were tickets for the WineMarket.

There are several important finding that can be used from the research. First of all, the online platform and physical presentations appeared to be powerful together, promising online business more dedicated customer base and leading more sales. Also, in order to grow in profits, ecommerce startup companies have to remember constantly adding value to its clients. Moreover, social media has appeared to be important, as it helps to tell story to the consumer wherever they are, and influences decision to make a purchase. It can be used to promote the event, stimulate engagement of the brand community and direct potential attendees to the ecommerce website with offers. All in all, to be a successful ecommerce startup company, grow fast and efficiently by attracting more new consumers, companies have to be more selective in the marketing mix and carefully follow recent marketing trends.

References
http://olms1.cte.jhu.edu/olms/data/resource/6276/Four%20Smart%20Ways%20to%20Run%20Online%20Communities.pdf


Appendices

Appendix 1 Brand Identity Prism of Adegga

PERSONALITY: Quality-oriented, expert, innovator, host, winelover, good friend.
RELATIONSHIP: Trust, share knowledge, customized advice. Offers convenience, access, exclusivity and is time and money.
CULTURE: Active lifestyle, family, socialization, values.

PHYSICAL: Red and white color, range of wines, winemakers, smartglass, surprises. Associations: excellent wines, food, friends, professionals, advices, fun.
CUSTOMER REFLECTION: Can discover wide range of selected wines with excellent organization, fun atmosphere and friends around.
SELF IMAGE: Try great wines from selected producers and stories behind every bottle.

Appendix 2 Adegga Google Analytics

Appendix 3 Adegga in Social Media

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Key Resources
- Social networks;
- Payment provider;
- Distribution partners are logistics companies: Adicional Logistics (http://www.adicional.pt) in Portugal and UPS Supply Chain Solutions (https://www.ups-scs.com) for Germany and Sweden;
- Local partner representative (Country Manager).

Cost Structure
Fixed costs: Rents of warehouse and office, Salary of employees, payment for marketing agency, logistics, representation costs, advertisement.
Variable costs: Rents of space for WineMarket or other wine event, staples.

Key Activities
- To keep the platform operational at all times for orders;
- To maintain social communication;
- To create special offers;
- To deliver wines on time;
- To make WineMarkets better all the times to fulfill customer expectations;
- To expand the network;
- To plan the growth strategy.

Key Partners
- Social networks;
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- Local partner representative (Country Manager).

Value Propositions
Adegga means innovation, professionality and convenience. Adegga created the blue ocean for themselves by creating a new way to try wines by selecting and building reputation with personal touch. The value for customers is that they can easily try and buy from producers and do not have make many choices between wines while purchasing online.

For the producers Adegga means having good status and reputation and opportunity to promote wines for wider and more knowledgeable audience.

Customer Relationships
The customer relationships are very important for Adegga and its core business. The online contacts are turned to be real thanks to the WineMarket where the visitors get to know the team and the producers. In all other time, relationships are based on personal assistance or interaction via social communities. As for producers they have a more personal contact with Adegga, since it is a more dedicated form of personal assistance in their customer relationship with them. Regular meeting visits, personal calls and friendship are the main forms of building strong relationships.

Channels
Adegga in Portugal (pt.adegga.com), the other country’s web-pages (de.adegga.com, se.adegga.com). On social media - Facebook, Instagram and Twitter. Awareness: Adegga uses its different platforms to promote itself to consumers, uses co-branding with selected producers and personal relationships with people from the industry. Evaluation: websites of Adegga, e-mails and other platforms like Facebook account. Purchasing: Adegga’s offers are available directly on websites. The promotional information can be seen in the e-mails and on online platforms with the links to the Adegga online shop on its webpage depending on location. As for wine producers they can facilitate direct contact with Adegga through emails, since they are engaging in a different kind of business. Delivery: The delivery happens through partner logistic company. After sales: Contacts with clients and producers are maintained via phone, social media or e-mails.

Customer Segments
Adegga uses a multi-sided model which is oriented towards two customer segments. Firstly, this is a community of people who are interested in wines. These consumers already like wines but they look for new and good ones; and want to know more about different wines.
Secondly, there are producers who look for ways to reach this community. Adegga has to create large buyer’s base to attract more producers to participate in the WineMarkets and online platform. In general, the two revenue bases are the wine buyers and regular visitors to WineMarket and wine producers joining Adegga for collaboration.

Customer Relationships
- To keep the platform operational at all times for orders;
- To maintain social communication;
- To create special offers;
- To deliver wines on time;
- To make WineMarkets better all the times to fulfill customer expectations;
- To expand the network;
- To plan the growth strategy.

Relevance
From clients, the revenue streams come from online wine purchases, tickets sold both online and offline for the Adegga WineMarkets and the monthly subscription fees from ClubA members.
From producers, Adegga receives money from the monthly fees of Selected Producers and the payments from other producers who were interested and get selected to be present on next Adegga WineMarkets.